

FISCAL NOTE

HB 2317 - SB 2310

April 1, 2005

SUMMARY OF BILL:

- Section 1 modifies Gift Tax law by specifying the circumstances for which education savings account exemptions apply.
- Sections 2-5 changes multiple tax laws relative to entities organized for the preservation or rehabilitation of historic properties.
- Section 6 makes a technical correction to the Amusement Tax exemption located in TCA 67-6-330(a)(2) by changing “country” to “county”.
- Sections 7-8 exclude food service establishments from the definition of manufacturers for the purpose of the sales tax exemptions on machinery and energy.
- Section 9 identifies the powers of certain officers and employees of the Department of Revenue (DOR) for enforcing tax provisions.
- Section 10 authorizes the DOR to sell property via online auctions.
- Sections 11-15 expand the wholesale beer tax container definition to include bottles that are composed of metal, glass, or plastic.

ESTIMATED FISCAL IMPACT:

Increase State Revenues – Net Impact – Exceeds \$85,000

Decrease Local Govt. Revenues - \$5,000

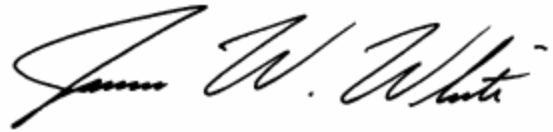
Assumptions:

- Section 1 is estimated to cause an increase to state revenues by an amount considered not significant.
- Sections 2-5 specifically applies to a historic theatre currently undergoing renovation that operates as a 501(c)(3) entity. It has a majority ownership of a LLC established for the purpose of rehabilitating the theatre as a historic property listed on the National Register of Historic Places. These sections are estimated to cause revenue decreases to state and local governments estimated at \$15,000 and \$5,000 respectively.
- There should be no fiscal impact associated with Sections 6, 9, 10, and 11-15 of this bill.

- Sections 7-8 are estimated to increase state revenue by an amount estimated to exceed \$100,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director